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Touchfax keeps ringing up public fax machine orders

BY BRIAN KABERLINE

Just three years after it was founded, a Lenexa designer and supplier of public fax terminals has become one of the hottest properties in telecommunications.

After ringing up impressive early contracts with the U.S. Postal Service and AT&T, TouchFax Information Systems Inc. has continued to attract interest — and business — throughout this country and internationally:

- This past week, TouchFax announced it had signed a contract with a division of Bell Canada that TouchFax Chairman John Massey said could result in the sale of "thousands of units eventually."

- The company plans later this month to begin placing the first of a planned 70 of its terminals throughout the Kansas City area and in Lawrence.

- TouchFax recently announced a contract to sell its machines to a group of New Jersey-area investors. The contract will be the first phase of a new marketing channel in which private investors will buy the right to place machines in major markets throughout the United States.

- The company continues to add features to its units, including a line of cartoons that can be personalized by the user and fax mailboxes that will allow business people to receive information wherever they have access to a machine.

Massey said TouchFax has been successful because it has come closer than any other product to making true multimedia service available to the public.

"We're in the very middle of a very significant revolution, a worldwide revolution," said Massey.

TouchFax was founded in 1989 to produce a public fax terminal to appeal to business people who travel frequently, and to businesses and individuals who only occasionally needed fax service. The business got an almost immediate boost in the form of a contract with the U.S. Postal Service for more than 200 machines.

The company currently is producing about 65 machines a month, said Massey, and hopes to increase that rate to more than 100 a month by the end of the year. After a down year last year, with revenues of about \$650,000, TouchFax expects total sales of between \$4 million and \$5 million this year and a five- to sixfold growth in sales for 1993.



Don Deiphe photo

John Massey is chairman of TouchFax, a Lenexa-based designer and supplier of public fax terminals.

Many of the machines now being shipped have been purchased by AT&T.

"We did a yearlong market test (with AT&T) and proved its worth in the marketplace," Massey said. "... Somewhere near the end of the market test, they realized there were many other services that could be provided on these machines."

The model being purchased by AT&T includes the standard fax services, its new Funnybone Fax personalized cartoons, a library of business forms and access to TouchFax's electronic library for stock quotes and other information. The machines also will be able to offer new services such as fax mailboxes, which allow customers to access incoming faxes at any machine with an access code.

To meet the special needs of the public, the AT&T machines are housed in a cabinet that meets Americans with Disabilities Act height requirements and has a handpiece with adjustable volume con-

trols. Massey said TouchFax is working on enabling the machines to act as a TDD for the deaf.

Many of these same features appealed to Bell Canada. Massey said TouchFax and Bell Canada reached a sales agreement last week at a major telecommunications trade show.

Besides contracts with telephone companies, TouchFax has opened a new marketing channel it calls TouchFax America. The company plans to approach investors in major U.S. markets with a deal whereby the investors would purchase TouchFax machines and place them primarily in private businesses. TouchFax will provide technical support for the units and establish a network of electronic libraries to offer various services through the machines.

Massey said a group of New Jersey investors has signed a contract with the company and TouchFax will roll out 70 company-owned machines in the Kansas City area beginning later this month. Targeted locations for the machines will include hotels and print shops that may currently provide public fax service, but at considerable time and expense to the business.

Diego Lieva, a representative of PI/CK, or Public Info/Comm Kiosk Inc., said the group of a dozen investors signed an agreement with TouchFax in mid-September to place machines throughout the New York City area. The group plans to place about 100 machines in 1993, with about half owned by the group and the rest owned by individual businesses that work with PI/CK to get TouchFax machines at their facilities.

The deal is a gamble, he said, because no one has tried placing this type of terminal in locations like small print shops, mail dropoffs and shopping malls.

"The old question of risk and reward is here," said Lieva. "There is high risk and the potential for reward is high."

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